

Newsletter for the week ended May 7, 2006

Integrated port complex in Andhra Pradesh

SkodaExport Co Ltd has announced its plans to establish an integrated port complex at Nizampatnam, which will see an investment of about \$1 billion (about Rs 4,500 crore) and include a special economic zone, a port, a 250-MW power plant and a urea manufacturing base. The company has signed up with Infrastructure Corporation of Andhra Pradesh Ltd (Incap) on Monday and the two will create a special purpose vehicle — Nizampatnam Industrial Port Complex Company — Nipcco. Further investment plans in India also include modernisation of Ennore power plant and setting up of a 3x210-MW power project in Jharkhand.

Mumbai box terminal project

The Government is still undecided on whether to give security clearance to the international port operator to bid for the Rs 1,200-crore Mumbai container terminal project. The National Security Advisory Council (NSAC) would be examining the participation of Hutchison Port in the Mumbai container project from the security perspective, before it gives its recommendation. The security issue has been raised due to the proximity of the proposed terminal to key naval installations in Mumbai.

Pipeline transporting crude for CPCL damaged

A section of a pipeline meant for transporting crude from Chennai port (ChPT) to Chennai Petroleum Corporation Ltd (CPCL) refinery in North Chennai slipped from the support structure and fell into water. Preliminary enquiry indicated failure of the supporting structure, worn out due to corrosion. The pipeline, laid about 35 years ago, did not break. However, there were a couple of leakages from which oil spilled, and this was controlled immediately. ChPT had asked CPCL to undertake the repair work, as the company has an inventory of pipelines and would be able to mobilise them quickly.

Reliance Petro plans storage unit in Paradip

Reliance Petroleum Ltd proposes to build storage facility for petroleum products, namely, kerosene, diesel and motor spirit at Paradip port and has accordingly asked for land in the port area. Initially, the company will transport by the coastal route an estimated five-lakh tonnes of products annually from its Jamnagar refinery located on the west coast. The volume will increase as and when the market for the products grows in Orissa and around. A pipeline network will connect the tankage (storage) with the port's oil jetty.

Cochin Shipyard Limited delivered first bulk carrier to Bahamas company

Cochin Shipyard Ltd delivered on schedule the first of the six 30,000 dwt bulk carriers for the Clipper Group, Bahamas. The keel of the second platform supply vessel for Seatankers Management Group, Norway, is also laid. The short-term plans of the company include setting up of ancillary units within the yard premises, investment in the small ship division and increase in pace of construction of Air Defence Ship.

SCI to resume US East Coast services

Shipping Corporation of India (SCI), which stopped offering services to the East Coast of the US a little less than a year ago, will resume the services. This time the company has teamed up with new partners - Zim, the Israeli line; McAndrews, the subsidiary of CMA CGM; and Emirates Shipping. In all, eight vessels, each of the capacity of 2,600 TEUs, will be pressed into service. While Zim will offer three vessels, SCI and Emirates Shipping will ply two each and McAndrews one. The service will be offered on a weekly basis.

RPL mulls owning VLCCs for crude import

Reliance Petroleum Ltd, a subsidiary of Reliance Industries Ltd, is looking at the option of owning very large crude carriers (VLCCs) as part of the company's strategy to insulate it from the volatilities in freight rates in view of the proposed expansion in refining capacity by setting up a 30-million-tonne (5,80,000 barrels per day) export-oriented refinery at Jamnagar in Gujarat. The company has been managing its transportation requirements through a judicious mix of time chartered and spot tonnage. Certain portion of the crude are is imported through tankers hired on time charter basis for 1-2 years at a particular charter hire rate. The balance is imported on spot charter basis.

Visakha Container Terminal Limited

Visakha Container Terminal Ltd (VCTL), which is a joint venture of Dubai Ports World and United Liner Agencies of India (ULA), plans to invest Rs 110 crore in phase II of expansion shortly. The company had set up operations at the Vizag port in 2003 with an initial investment of Rs 100 crore to create infrastructure facilities for container handling. The entire funding for phases I and II has been tied up with the IDFC. Currently, the company is handling 4,000 TEUs a month and the break-even is 8000 TEUs.

Tea exports at Amingaon ICD

Tea shipments through Amingaon ICD posted an impressive growth in 2005-06. At a throughput of 2303 TEU, the growth was more than 21 per cent. The upward trend in 2005-06 is expected to continue in 2006-07 also. Concor's proposal to hike haulage charges did not evoke vehement opposition from the shippers as they understood the need had arisen on account of the Railways. Concor proposed an increase of Rs 1,150 per TEU; Rs 1,100 per loaded box and Rs 50 per empty, thus absorbing the larger burden of the increase.

Gangavaram Port

According to Mr K. Upendra Rao, President of Gangavaram Port Ltd, it was not technically feasible to construct a fishing jetty at Nallamarammapatalu, as sought by the fishermen of Gangavaram, and the site is within the port layout. If a fishing jetty is constructed at the site, the capacity of the port will be reduced by 60 per cent.

Juicy Bits

- ABG Shipyard Ltd has bagged a repeat order from Sea Tankers Management Co Ltd for construction of anchor handling tugs valued at Rs 270 crore. With this order, the company's order book now stands at Rs 2,204.36 crore.
- Hutchison Whampoa Ltd, the world's biggest operator of container ports, is selling a 20% stake in its port units to state-run Singapore rival PSA Corp for \$4.4 billion

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Crude traffic

The ports of Haldia, Paradip and Visakhapatnam are finding it difficult to fix targets for crude traffic volumes on account of commissioning of IOC pipeline. The commissioning of the Paradip-Haldia crude pipeline complete with single point mooring facility, due anytime during the year, will entail diversion of crude traffic from Haldia and Visakhapatnam to Paradip. The fully loaded large crude carriers, which cannot now come to Haldia because of the poor navigability of the Hooghly river, will henceforth discharge crude at Paradip for onward transportation by pipeline to Haldia for processing in the Haldia refinery of Indian Oil Corporation. Also, trans-shipment crude traffic at Visakhapatnam on IOC's account is likely to be shifted to Paradip.

Haldia Petro plans pipeline to connect plant, oil jetty

Haldia Petrochemicals Ltd (HPL) proposes to lay a six-km-long pipeline network to connect the third oil jetty of the Haldia dock with its own plant. The proposed additional pipeline, when ready for operation, will be used to transport naphtha to be imported through the jetty. In 2005-06, HPL imported some 1.4 million tonnes (mt) of naphtha through the dock. This is estimated to rise to two mt within the next couple of years, as the plant is poised for expansion.

DP World to develop new terminal facility in Djibouti

DP World (Dubai Ports World) has announced plans to develop a new container terminal facility in Doraleh at the Port of Djibouti with an investment of USD 300 million. This will enable DP World to handle an additional 1.5 million TEU annually. The terminal, which will have eight Super Post-Panamax gantry cranes and a quay length of 900 metres, is expected to commence operations in late 2008. DP World manages the Port of Djibouti, which currently has the capacity to handle 10 million tonnes of cargo and five lakh containers per year.

Shipping companies to invest more in offshore sector

Indian shipping companies are looking at the offshore sector owing to the boom in the oil and gas exploration sector. GE Shipping, which has a fleet of 33 offshore supply vessels, has on order six new offshore supply vessels involving a cost of \$86 million in the current fiscal. Varun Shipping, which is primarily in the LPG transportation business, also has plans to invest between \$80 million and \$100 million for acquiring offshore assets, including platform supply vessels and specialised vessels. Mercator Lines has forayed into offshore business by placing an order for construction of a premium offshore jack-up oil rig at a cost of Rs 810 crore with Keppel FELS.

Concor and Baxi group joint venture for container trains

Container Corporation of India (Concor) and Boxtrans Logistics (India) Pvt Ltd, a special purpose vehicle jointly promoted by United Liner Agencies and J.M. Baxi & Co, both belonging to the J.M. Baxi Group, has entered into a memorandum of understanding (MoU) to synergise their efforts to pool scarce resources such that the cost of cargo transportation is reduced and competitiveness of India's exports gets enhanced in the world market. Boxtrans Logistics, which recently obtained the licence to operate container trains on several routes, has already placed orders for 12 rakes, each comprising 45 flats, with a Kolkata-based wagon manufacturer and hopes to have the first rake delivered some time towards the end of this year.

Paradip cargo traffic

The Paradip Port Trust (PPT) has projected cargo throughput of 37.5 million tonnes (mt) for 2006-07, (an estimated 13.3 per cent growth over 2005-06). The bulk of the projected increase of 4.4 mt of traffic in 2006-07 is estimated to be in the form of crude and petroleum products. The commissioning of the Paradip-Haldia pipeline is expected to bring an additional three mt of traffic to the port.

CMA CGM Group plans expansion

The CMA CGM Group intends to extend its coverage in India by creating inland container depots and expanding outbound services to strengthen its position in the country. The group is also looking at several port terminal projects. CMA CGM has decided to launch its own service linking the Far-East with West Asia via India. The Group currently operates four direct services -- Epic, Indamex, Super Galex (to be replaced by CIMEX soon) and Swahili Express -- linking India with the rest of the world.

Mormugao's expansion plans

The port plans to augment the capacity to 56 million tonnes by 2012 from the current capacity of 28.5 million tonnes. Various projects such as wagon handling system, modification to its mechanical ore handling plant, deepening of the approach channels, construction of two more berths at Vasco Bay, construction of off-shore base, having a transshipper for iron ore export will be promoted through private participation. The 5 km stretch of the 18.30 km four-lane road connecting port to Verna (industrial estate) junction was a handicap to many of the port's development projects.

Karnataka to develop minor ports

The Karnataka Government is determined to develop minor ports such as Old Mangalore, Gangolli, Malpe, Hejmadi, Belekeri and Karwar in the State. The thrust is to generate more income from minor ports along coastal Karnataka. Of the Rs 8.32 crore estimated for the development of Gangolli harbour, works to the tune of Rs 6.3 crore have been completed.

Paradip port awards users

Several users of Paradip port, all corporate entities in both private and public sectors, have received awards from the Paradip Port Trust (PPT) for their excellent performance in 2005-06. Paradeep Phosphates of the K. K. Birla Group received the award for generating the highest volume of cargo for the port — 2.1 million tonnes in 2005-06 compared to 1.59 mt in 2004-05. Rungta Mines won the award for exporting through the port highest volume of iron ore, at 1.97 mt (1.19 mt); the Tamil Nadu Electricity Board for receiving by the coastal route the highest volume of thermal coal shipped through the port, 7.28 mt (8.56 mt); the National Thermal Power Corporation for importing highest volume of non-coking coal, 1.72 mt (nil); and the Steel Authority of India Ltd for importing highest volume of coking coal, 1.52 mt (1.10 mt). Orissa Stevedores Ltd was awarded for handling the most cargo.

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Dredging at Kochi port

The maintenance dredging this year at Cochin Port Trust is likely to be delayed as the tender committee of the port has not yet finalised the dredging contract this year. Even though the Kandla-based Jaisu Shipping has emerged as the lowest bidder in the tender, the amount quoted by the company is higher than the projected approximate cost of the port. The projected cost for the 10-month contract period is Rs 30.9 crore, while Jaisu Shipping has quoted an amount of Rs 37.25 crore for the work, which involves deepening of the channel to 13.8 metres from the present 12.5 metres to enable smooth movement of vessels. The discharge of silt and sediments from various rivers flowing into the Arabian Sea was a recurrent phenomenon and these got accumulated in the channel, hindering the smooth movement of ships.

Pricing of shipping services

According to the Director-General of Foreign Trade (DGFT), Mr K.T. Chacko, there was no transparency in pricing of shipping services and hence there was a need for a Shipping Regulator. He pointed out that the capital costs in India were high as compared to the competitors and the transaction costs also needed to come down, which could be done by becoming more IT savvy. Mr Chacko said that exporters ought not to have to open separate bank accounts at each port for claiming duty drawback. Also, verification of documents should be based on a 'risk-based model'.

Iron ore exports through Haldia, Paradip ports decline

Iron ore exports through Haldia and Paradip ports have shown a downward trend so far in April, as compared to last year. The extent of shortfall in Paradip, is estimated at three lakh tonnes. The port handled one million tonnes of ore exports in April 2005. In Haldia the shortfall is about 40,000 tonnes or so from 7.5 lakh tonnes in April last year. The shortfall at Paradip is attributed to the disappearance of small exporters who could not withstand the leaner margins in exporting iron ore. At Haldia, the decline is attributed to the shortage of rakes.

Mumbai Port gets 12 bids for cruise terminal

Mumbai Port Trust (MPT) has received response from 12 companies to its invitation for expression of interest (EoI) for its proposal to develop a dedicated cruise terminal, mostly from Europe-based companies. Work is expected to begin before the year-end and the cruise terminal will be commissioned by 2009. The entire project will cost Rs 160 crore. The terminal would be built one kilometre into the sea and the berth would be 200X50 meters in size. Two cruise vessels would be able to dock in the terminal, which would have to be dredged 10.5 meters.

Cochin Shipyard lays the keel for ambitious buildings

Cochin Shipyard Ltd (CSL), in its 35th year, has chalked out an ambitious action plan to emerge as the leading yard in South-East Asia by 2015. The yard has drawn out a corporate plan based on positive economic growth and rising international trade. CSL feels that the market growth in this sector will be sustained by the economic development of the South-East Asian countries and surging international trade. CSL is receiving more enquiries from abroad for new building orders from highly reputed and quality conscious owners from Western Europe. Quality of workmanship and timely delivery have proved to be a very important and strategic strength of CSL.

Birganj ICD

The Birganj ICD, which is run by the joint venture company Himalayan Terminals Pvt Ltd (HTPL), is running into losses as the traffic estimates for the ICD proved unrealistic. Birganj is landlocked and situated in Nepal. Nepal's imports and exports are routed through Kolkata port. Nepal virtually has no railway network. As a result, traditionally all imports from on arrival at Kolkata port were transported to Nepal by road. Rail transports some cargo, especially bulk items from India, but up to Raxaul, the last Indian Railway station on the India-Nepal border in north Bihar. From Raxaul, the consignments go by road to Nepal. The ICD was built at Sirsiya in Birganj which is very close to Raxaul. Raxaul and the ICD were connected by a rail line built by India to facilitate movement of containerised cargo.

Chittagong-Singapore feeder service

Korean shipping giant, Hanjin Shipping, in partnership with Singapore-based Sea Consortium, has launched a dedicated feeder service between Chittagong and Singapore. There will be sailings every fourth day, the port rotation being Singapore-Port Klang-Chittagong-Singapore. In all five vessels, capacity ranging from 360 to 660 TEUs, are being deployed. But there is sudden congestion at Chittagong, owing to the recent spurt in imports and exports, with the result the number of feeder services between Singapore and Chittagong has risen to 47 from the earlier 29.

Paradip Port's oil jetty

Reliance Petroleum has indicated to utilise the Rs 50 crore 6-mtpa capacity jetty at Paradip port. The company proposes to bring by the coastal route half a million tonnes of petroleum products annually, initially, from its Jamnagar Refinery, for sale in Orissa. Essar Oil too is being persuaded by port authorities to use the facilities at the port for pushing its products in the region. The public sector oil companies such as Hindustan Petroleum Corporation and Bharat Petroleum Corporation, that have built the tankage capacity at the port, too, it is felt, will utilise the jetty for handling their products. In other words, PPT is targeting petroleum products for better utilisation of the jetty, though it is not sure if the promised cargo support, even if materialises, will help achieve the objective.

Measures to enhance container traffic through New Mangalore Port

The New Mangalore Port, in association with coffee exporters and the Federation of Karnataka Chambers of Commerce and Industry, has formed a committee to recommend measures to increase container traffic. Large volumes of cargoes such as coffee, garments, reefer and cashew are exported from Karnataka. As New Mangalore Port is the only major port of Karnataka and the natural gateway for this region, continuous and consistent marketing efforts are being taken up by the port administration to attract this cargo. Hassan-Mangalore railway line will be commissioned shortly and the port has also renovated its railway lines to face increase in traffic.

Goa Shipyard keen to partner Coast Guard

The public sector Goa Shipyard Ltd (GSL) has offered to partner with Indian Coast Guard (ICG) in its modernisation plans. The Chairman and Managing Director of GSL, RAdm A.K. Handa, suggested that ICG could fund the plans and GSL, in turn, would commit to look after the maintenance needs of ICG vessels as a dedicated re-fit yard and deliver better quality ships. GSL had been a trendsetter in the Defence ship-building sector taking up the challenge of building defence vessels on fixed costs basis and was becoming a forerunner in this regard compared to other defence shipyards.

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L&T takes to ship building

L&T has bagged a contract for construction of four ships valued at Rs 440 crore for Zadeko Ship Management of the Netherlands. The vessels will be built at a new shipyard that will form part of the company's modern engineering complex at Hazira, Surat. Zadeko, the Rotterdam-based shipping company, caters to special purpose cargo movements. Its management had expressed the desire to continue the company's association with L&T for its future vessel acquisition programme across a series of vessels. Production of the ships is scheduled to commence in July this year. In line with the global shipbuilding trends, L&T will adopt modular construction and seamless work flow techniques at its shipyard to meet the stringent delivery schedules. The vessels will have a deadweight capacity of 8,250 tonnes and can carry 830 TEUs of containerised cargo. L&T's shipyard at Hazira will focus on construction of commercial vessels and warships for the Navy, as well as the Coast Guard. The yard will have the capacity to construct vessels up to 150 m long with a displacement of 20,000 tonnes.

Mangalore- Hassan rail line open for freight traffic

The formal commissioning of the Mangalore-Hassan stretch of railway line for freight traffic operations will help boost cargo traffic at the New Mangalore port. Mines in the hinterland of New Mangalore Port send around 30 million tonnes of iron ore to various ports in the country. The commissioning of the railway line will help New Mangalore Port to receive a major portion of this cargo. The railway connectivity would help in transporting around six mt of iron ore from Bellary-Hospet and Sasanur-Chitradurga regions to New Mangalore Port.

Ship owners warned against equipment failure

The Director-General of Shipping has warned ship owners that failure of equipment in ships would invite disciplinary action against officials concerned following the recent detention of Indian ships by Port State Control due to failure of emergency equipment such as lifeboat engines and emergency fire pump, according to DG Shipping, which deals with implementation of shipping policy and legislation in India. In the last two months, there were three detentions on account of lifeboat engines being unable to start. The reason for such failures was attributed by the ship's engineers/technical superintendents to the sub-zero temperatures prevailing in those areas/ports where the ships were subjected to the Port State Control inspection. In another case, the emergency fire pump could not be started due to jamming of primary pump linkage as a result of fresh painting done on the pump mover by the ship staff one day before. The DG has warned that such breakdowns were unacceptable and that such vessels would be detained immediately.

Competition from DP World

With the takeover of all P&O Ports facilities, in India DP World will operate three major terminals on the west coast: The India Gateway Terminal at Kochi, the Nhava Sheva International Container terminal at Jawaharlal Nehru Port, and the Mundra International Container terminal. On the east coast, it will operate the Chennai Container Terminal, the Visakha Container Terminal and the one that might come up in Kulpi in West Bengal. Dubai Ports Authority has also been given security clearance to operate two container terminals in Kochi and Visakhapatnam. The five terminals under DP World together handled 2.53 million TEUs, with a 51.3 per cent market share that will make it a dominant container operator, but not a monopolist. About 58 per cent of India's container traffic is handled at JN Port in New Mumbai where JN Port Container Terminal and NSICT (now under DP World) are significant operators handling 1.34 and 1.32 million TEUs respectively.

Tuticorin Container Terminal opens document processing centre

Tuticorin Container Terminal(TCT), operated by PSA Sical Terminals Ltd, has commenced a new Remote Equipment Interchange Receipt (REIR) processing centre. Located at the World Trade Centre, about five km from the terminal, the centre has been set up to help customers shorten the time spend on processing export documentation from 20 minutes to three minutes. The REIR currently caters to export boxes.

Service tax for shipping companies

The Director General of Central Excise Intelligence (DG-CEI) has slapped fresh notices on Indian shipping companies, asking them to pay service tax retrospectively from August 2002 to March 2006 in respect of services received and consumed outside India by the companies during this period. The DG-CEI has issued summons to shipping companies, demanding full details of their foreign exchange payments, including dry docking expenses at foreign ports, for this period. The notices have made it clear that if the companies do not furnish the details, the DG-CEI will be forced to take action against them. Shipping companies have sought a 30-day time from DG-CEI to reply to the summons.

Greenpeace calls for better ship breaking technology in India

According to Greenpeace India, India has completely failed to find a sustainable solution to clean ship breaking operation, with a view to safeguard the interests of both the industry and workers. The organisation is of the opinion that ship breaking operation is a profit making industry and the country can benefit provided it develops a clean and sustainable solution for its operation. Regent Shipping has purchased SS Norway at \$ 17 million from Starcruise, Malaysia. It is 46,000 tonne by weight and contains about 900 tonne asbestos. India needs to be careful about the disposal of asbestos. The ship breaking of SS Norway can yield considerable profit for Regent Shipping. Out of the 46,000 tonne weight of the ship, about 95% is steel. The global price of steel is ranging between \$ 275 to \$ 500 per tonne. If clean and sustainable ship breaking norms are put in place, the industry and workers can benefit.

SCI may turn to China for acquiring bulk carriers

The major shipbuilders of Korea have pitched for higher value, series production types such as LNG carriers, tankers and containerships, which forces SCI to look at Chinese shipyards for their bulk carriers. The biggest increase in capacity has taken place in China as many of the new shipyards there concentrate only on bulk carrier building. But Chinese shipyards may not favour the tendering process, which SCI has to undertake.

Cochin Port Trust to acquire 2 new tugs for Rs 70 crore

The Cochin Port Trust plans to acquire two new 45-tonne cycloidal propulsion tugs at a cost of Rs 70 crore in replacement of the existing old tugs. Hindustan Shipyard Ltd and the Chennai-based Tebma Shipyard have responded to the tender floated by the port for the construction of the tugs. The existing two tugs - MT Kodungallur and MT Cochin - have completed their life span of 20 years and their pulling capacity has been reduced considerably due to continuous operations and old age. The power output of these tugs has been considerably reduced to 22-25 tonnes, resulting in greater time consumption for manoeuvring ships in the port. The crude-laden vessels arriving at Cochin Oil Terminal require a pull to the tune of 90-110 tonnes, which is achieved by deploying three tugs at a time. This affects the shipping operations; hence the shipping movements are to be programmed according to the availability of the tugs, which affects the turnaround time of the ships. This can be avoided if higher capacity tugs could be deployed in the port.

Absence of board at major ports threatening capacity expansion

Eight of the 12 major ports in the country - Mumbai, Visakhapatnam, Chennai, Paradip, Mormogao, Kandla, Cochin and Kolkata are functioning without Board of Trustees, which play a significant role in the implementation of expansion and modernisation schemes in their respective ports. As the boards have to clear major expansion programmes of the ports, any delay in their re-constitution may affect these programmes. Some of the projects being implemented by these eight ports include two offshore container terminals at Mumbai port, four cargo berths at Kandla, second container terminal at Chennai, iron ore and coal berths at Paradip, bunkering terminal at Cochin and general cargo berths at Visakhapatnam port.

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Road-rail connectivity mooted for major ports

The government is embarking on a major project for establishing road-rail connectivity to ports with a minimum four-lane road connectivity and double-line rail connectivity for each major port with public-private participation. All state highways with a traffic intensity of 10,000 passenger car units (PCUs) or more may be declared as national highways and all national highways for port connectivity where the traffic count reaches 12,000 PCUs may be taken up for four-laning on a priority basis. The first category of port connectivity should include projects where the length of the road is less than 50 km. The second category of hinterland connectivity would include projects where connectivity to source of cargo such as iron ore mines or coal mines is to be provided. Schemes for port connectivity would be undertaken by the National Highways Authority of India (NHAI) on a built-operate-transfer (BOT) basis. All national highways for port connectivity would have a separate tolling policy, which could be jointly proposed by NHAI and the shipping department.

Railways plans SPV for freight corridors

Indian Railways has proposed to set up a special purpose vehicle (SPV) to plan, construct and maintain dedicated freight corridors on eastern and western routes. SPV would also be responsible for movement of trains within its jurisdiction, minister of state for railways. The proposed SPV would be a company under the Companies Act, 1956 and under administrative control of the ministry of Railways. The ministry will hold majority share in the SPV, scheduled to start functioning in 2006-07. For 2006-07, the freight loading target has been set at 726 million tonnes and freight output at 479 billion tonnes. The revenue in freight in 2006-07 is expected to be Rs 40,320 crore. In order to generate additional traffic, railways has introduced various schemes.

Posco project gets rail transportation clearance

The Railway Ministry has given the rail transportation clearance (RTC) for Posco's steel project, proposed to be launched at Paradip in Orissa. Posco plans to transport 35 million tonnes (mt) of iron ore from Keonjhar area in Orissa, 13 mt of limestone from Satna in Madhya Pradesh and an equal quantity of dolomite from Birmitrapur, also in Orissa, by rail. Posco is likely to get the mining rights in the Keonjhar area, rich in iron ore reserve, and will use the Daitari-Banspani line (155 km) — being constructed by Rail Vikas Nigam Ltd, as well as Haridaspur-Paradip line (82 km) — being built by an SPV, to transport the ore to be mined. The company will also be required to construct railway sidings, totalling about 40 km, in the mining areas and the plant level on its own. Thus the total length of the railway line needed to facilitate Posco's operation is estimated at about 250 km.

Kochi port plan grand expansion plans

Kochi port has planned an investment of Rs 9000 crore over the next few years (including Rs 3000 crore international container transshipment terminal). Work is going on for the Rs 720-crore single buoy moor at Puthuvypu for Kochi Refineries Ltd (KRL). Common infrastructure development like deep dredging at an investment of Rs 464 crore to 14.5 metre depth, national highway connectivity to the ICTT at a cost of Rs 375 crore, and rail connectivity costing Rs 245 crore, are some of the high priority projects. The port has central clearance for a Rs 150-crore port-based Special Economic Zone.

GAC Marine expands network

GAC Marine Logistics (GML) has opened a new office in Mumbai, to focus on major players of the maritime sector in the subcontinent, adding to its current offices at Dubai, Singapore and Oslo. GML's Mumbai office will promote its specialised ship spares supply chain solutions directly to shipping firms operating out of India. It will also highlight the company's global purchasing agreements with major sea and air carriers.

Karwar to have privately operated box terminal

The first privately operated container terminal in a minor port in the south is likely to happen at Karwar. Vikram Integrated Logistics Private Ltd is the promoter of the port and has invested Rs 10 crore for developing the facilities. This facility, would take the load off the Mangalore, Kochi and Chennai ports. Besides, the container handling charges in Karwar would be substantially lower than that any of the major ports in the vicinity since, all the facilities, including stevedoring would be operated by the company itself. The terminal would initially function as a satellite facility for the Jawaharlal Nehru Port Trust (JNPT) in Maharashtra. The containers would be moved to JNPT for transshipment to mainline vessels for onward carriage. For the transshipment the company has entered into a five-year time charter arrangement with Kin-Ship Services Private Ltd.

L&T forays into dredging business

Larsen & Toubro has entered the dredging business by acquiring 61 per cent stake in International Seaport Dredging Pvt Ltd, an India-based company. L&T's entry into the dredging business is also in synergy with its ports construction business, where the company is a major construction partner in several Indian public and private ports. Initially, the company's dredging operations will concentrate on India and neighbouring countries.

Kochi port orders storage tank builder to stop activity

The Chairman of the Cochin Port Trust has asked BR Petrochem, which has constructed storage tanks in the port area, to stop all activity until the port is satisfied about the safety procedures and adequacy of structural designs of the tanks following the collapse of one of the newly built storage tanks of the company last Sunday while conducting load testing. Ordering an inquiry into the circumstances leading to the failure and collapse of storage tanks, the port authorities also decided to engage reputed engineering consultants with experience in construction and maintenance of tank farms for advice regarding structural design and other safety standards.

Shipyards' order book stands at Rs 10,000 cr

According to Mr T.R. Baalu, Minister for Shipping, Road Transport and Highways, the order book position of the Indian shipyards stands at Rs 10,000 crore at present and is expected to improve further. In order to offer incentives to shipbuilding activities, the Ministry has proposed to extend policy to provide shipbuilding subsidy of 30 per cent to all the Indian shipyards, including private sector beyond August 2007. The Government has proposed to invest Rs 7,195 crore in the shipbuilding sector to modernise infrastructure and research design base. Setting up of two international size shipyards, one on the east coast and other in the west coast, is also under consideration. The Government is considering providing revival package to the Hindustan Shipyard Ltd and the Hooghly Dock and Port Engineers Ltd to the tune of Rs 814.50 crore and Rs 391.14 crore, respectively.